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ABSTRACT

The role of colleges in adult education is considered in light of the increased demand for adult education, the growing competition among providers of adult education, and the likelihood that the level of competition will be reduced in the future. In addressing the expanded magnitude of demand for adult education, four main determinants are highlighted: demographic factors, particularly the post-war baby boom; the increased educational level of the main consumers of adult education, that is, those aged 25 to 34; the greater demand by women for adult education; and heightened levels of job dissatisfaction. Next, the paper discusses the intensified competition engendered by higher levels of educational demand. The four main competing providers of adult education are identified as the community colleges, proprietary business and trade schools, the corporate world, and the private training consultant, and their roles and the nature of the competition among these agencies are specified. Looking to the future, the paper then argues that competition in adult education is likely to diminish, though not necessarily in a direction favorable to community colleges. The paper points to the unwillingness of taxpayers to finance publicly supported adult education at earlier levels. It urges community colleges to address the question of why and in what areas they should be allowed to provide adult education, and then, having answered this question, to secure appropriate funding to achieve this purpose. (HB)

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THE BUSINESS OF ADULT EDUCATION: OPEN SEASON IN THE MARKETPLACE

By David L. Landsburg, Executive Dean, Pima Community College
East Campus, Tucson, Arizona.

Keynote Address, delivered before the Arizona Adult Education Association, Marriott Hotel, Tucson, Arizona, November 13, 1981.

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THE BUSINESS OF ADULT EDUCATION: OPEN SEASON IN THE MARKETPLACE

By David L. Landsburg, Executive Dean, Pima Community College,
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I am pleased to be here today to talk about the business of adult education -- "open season in the marketplace." I would like to divide my discussion into three segments. First, I would like to discuss the market itself. What is the magnitude of the demand for adult education within the market? Second, I would like to discuss the competition within the marketplace. Who are the providers of adult education, and to what extent are they competing? Third, I would like to talk about the future, and the potential for reducing that competition within the marketplace.

Let's begin by looking at the market. No one doubts that the market for adult education is expanding. There are a variety of reasons for that expansion. First, let me talk about the changes in the demography of our country. Two very important events occurred in 1945. First, World War II ended. And second, I was born. I like to think that since that time, I have led a priviledged life. I have been part of a very select group of individuals who were the first born in what is known as the "post-war baby boom." Those born in that period from approximately 1945 to 1960 have been at the center of the American economy ever since. When we were children, the economy sold things for children. When we were youths, the major market was for youths. When we became adults, the major market is for adult products. The same is true with education. When we were in elementary school, they were building elementary schools all across the country. When we got into high school, they built high schools across the nation. When we moved to college age, they built a number of new colleges.

particularly community colleges, all across this country. Now that we are adults, the major emphasis is on adult education. The number of 18-year-olds in this society peaked in 1980. It is now on its way down and will continue to decline until 1995. At the same time the number of 25-34-year-olds will continue to increase until approximately the year of 1995. Those individuals in that age bracket, 25-34-year-olds, are the major consumers of adult education. As that group grows, the demand for adult education will continue to grow.

A second reason for the increase in the demand for adult education is the fact that we who came through in the post-war baby boom years are probably the best educated group of adults that have ever existed in this country. Every survey of adult education ever done indicates that the single best predictor of whether an adult will engage in adult education is the past level of educational attainment. College educated individuals are more apt to demand adult education than a high school educated individual. High school graduates are more apt to demand adult education than our eighth grade graduates. Eighth grade graduates are more apt to demand adult education than are those who never attended school. The increase in the education level of the adults between the age of 25-34 increases the demand for adult education. Pat Cross, who has been associated with a number of universities, including Berkeley, and Harvard, and who probably coined the term "New Students" to deal with adult learners, perhaps said it best in the Phi Delta Kappan magazine of May, 1980. "Learning is addictive. The more education people have, the more they seem to want."

The third reason the demand for adult education is expanding, has to do with the changing role of women in our society. The National Center for Educational Statistics reported in a 1975 study that between the years 1969 and 1975, the number of adult women learners increased 45% while the number of adult male learners increased by only 18%. Women's role in society has changed, and therefore the demand for adult education has changed.

The fourth reason the demand for adult education can be expected to increase, has to do with the relative job dissatisfaction which we now find in the work force. People who are dissatisfied with their current employment are apt to seek adult education as a means to change their life in the work place. Opinion Research Corporation does a periodic survey of employee attitudes. Their most recent survey, reported in the ASTD National Report of 1981, analyzed the attitudes of three groups of employees; managers, clerical workers, and hourly employees. Job satisfaction among all three employee groups recently declined to its lowest point ever. A dissatisfied work force will seek some form of adult education to change their state in the work place.

So there are four reasons that adult education market is expanding; changes in the population, changes in the educational background of our adults, changes in the role of women, and changes in the level of job satisfaction. What are the results of this change in adult education demand? In what areas is adult education growing? I suspect the areas of change reflect changes in society. In 1975, the National Center for Educational Statistics did a survey which concluded that the fastest growth

in adult education is in the areas of social life, recreation, personal, and family life. Those were the growth areas between 1969-1975. However, a more recent study, done in 1981, by the Free University Network, concludes that there has been a change. Today, the largest single area of adult education is the fine arts, but the fastest area of growth has to do with business and finance. People are looking for ways to increase their economic standing in society. The groups that are down the most, tend to be those "touchy-feely" sort of self-help education programs which were very popular in the late 60s and early 70s. The conclusion is that the demand for adult education and the types of adult education that are demanded, tend to change as society changes. As future changes come about no doubt the change in what is demanded in the area of adult education will also be reflected. So what is the conclusion? How big is the market? How many people are there, consuming adult education? It is a simple question, but apparently not that easy to answer. Again, Pat Cross has looked at a variety of surveys. She concludes that depending on whose survey you examine, there are between 17 and 32 million adults enrolled in some form of organized adult education in our society. Pat Cross concluded herself, in the May, 1980 issue of the Kappan, that her own best guess is that one in three adults in America is involved in some form of organized adult education each year. Please note that is "organized" adult education. There are very good indications that there is more adult learning that goes on outside of organized adult education than goes on inside organized adult education.

A gentleman by the name of Allen Tough, at the Ontario

Institute for Studies in Education, has surveyed a variety of people in the United States, Canada, Guam, India, and other nations. He concludes that the average adult engages in seven major learning projects each year; that each major learning project averages 100 hours of duration for a total of 700 hours of some form of adult learning project each year for each adult. But interestingly, he concludes that only 20% of those projects are through programs that are organized and conducted by some sort of a professional - that is formalized adult education. Eighty percent of that adult learning is self-directed, directed by a friend, directed by a member of the family, or some other non-professional. So the conclusion is that there is a tremendous amount of adult learning going on in the market. Much of that is outside of adult education, but still, the size of the demand for organized adult education is huge.

Let's turn to the second major point. That is, what is the competition in the market? Who are the providers of adult education? The Chronicle of Higher Education for November 4 of this year, reports that there are 12.3 million students enrolled in credit higher education this year. Interestingly, the same issue of The Chronicle, carried a study done by the National Center for Educational Statistics, which covered the years 1979-80. It concluded that another 12.3 million adults are enrolled in non-credit offerings from traditional higher education institutions. That was up from 10.2 million enrolled in non-credit offerings in 1977-78 and up from 5.6 million in 1968. Enrollment in non-credit education from traditional higher education institutions

has more than doubled in the last six years. Who in the higher education field provided the leadership? I am pleased to say that the leading institutions in the provision of adult education are community colleges. More than half of the registrations in non-credit instruction are in community colleges in this country. In addition, half of the students in credit instruction within community colleges are over the age of 22. In fact, the American Association of Community and Junior Colleges concludes that 7.1 percent of all United States adults were enrolled in a community college in either credit or non-credit instruction in 1980. It is therefore appropriate that Dorothy Knoell, of the California Post-Secondary Education Commission, was able to conclude in 1976 that continuing education for part-time adult students has become THE dominant function of the community colleges. Adult education is the dominant function of the community college.

When I was a community service director at Westark Community College in Arkansas, I used to, from time to time, become somewhat irritated because our institution did not provide enough financial support for the non-credit offerings. I suspect that many of you have that same feeling on occasion. I would occasionally storm out of the office and say, "I ought to go across the road and open my own business - I really don't need the college. I could provide this instruction without the college and make a better go of it." Well, it turns out that many have done exactly that. The second major strain in adult education in this society is the proprietary school. Business and trade schools are in the business for a profit. In fact, that is the most rapidly growing segment of adult education in our society today. And you should note,

that proprietary schools are no longer simply fly-by-night organizations that operate out of the corner store. Many are sponsored by major corporations. Bell and Howell runs a series of highly sophisticated electronics proprietary schools across the country. Many other major corporations are also into the game. But let's look specifically at the State of Arizona. The Arizona State Board of Private, Technical, and Business Schools, produced a report in February of 1981. That report indicated that between the years 1975 and 1980, the number of licensed schools in the State of Arizona increased from 101 to 184. That is more than an 80% increase in a five year time span. The number of students enrolled in those proprietary schools increased from 1975 figures of 29,000 to a 1980 figure of 72,000. That is almost a 150% increase in a five year time span. In 1980, the proprietary school in the State of Arizona contracted for more than $36 million worth of education in the State of Arizona. Indeed, proprietary education is a growing and an important segment of the providers of adult education in our society.

But the third area, and perhaps the largest area in the provision of adult education, is the corporate world itself. The American Society for Training and Development reports that business and industry allocate more than $30 billion per year to training and education -- almost as much as the total annual expenditure of the nation's publicly financed colleges and universities. That is $30 billion a year spent by corporations on education and training. The question is, what do they do with that money? What do they spend it on? Well, the Conference Board in a 1979 survey examined five major types of industries; manufacturing, gas and

electric utilities, retail trade, banking, and insurance. They report that 85% of the respondents, maintain some form of on-site training and education for their employees. So that is one thing the corporations do with their money, they provide on-site training for their employees. But a second thing that the Conference Board report indicates is that they spend a significant amount for tuition aides for their employees to use in traditional higher education. The same report says that about 90% of the respondents provide tuition aid plans to full-time white collar workers and 80% provide tuition aid to full-time blue collar workers. The interesting thing is that very few of those employees use those tuition aid plans. In fact, only 5% of the white collar workers use those plans while 3% of the blue collar workers use the plan. I suspect that is an indictment of our higher education system. Despite the dollars that are available, only 3-5% of the employees choose to use them in traditional higher education. What else do corporations do with their training money? Well, they do some of the very same things we do in more traditional institutions. The Conference Board study, which was explained in a January, 1981 issue of the New York Times, indicates that 35% of the corporations in this country provide remedial education for their employees. That means reading, writing, and arithmetic, because corporations find that their employees do not get adequate instruction in our traditional educational institutions. In addition, corporations provide significant training that is identical to what we do in traditional higher education at higher levels. Many corporations have their own accredited graduate programs. Many of you have probably heard of the Wang Institute

initiated by Wang Corporation because they could not find appropriate graduate level training for their employees. Arthur D. Little and other corporations provide specific courses which are equivalent to what we offer on the college level. The American Council on Education has a program entitled "The Program on Non-Collegiate Sponsored Instruction." They evaluate instruction offered by non-collegiate institutions to determine whether or not it is worthy of credit. The New York Times on August 31, 1981, reports that currently, this agency from the National Council on Education has indicated that more than 2,000 courses, at 138 corporations, are worthy of collegiate credit. So, corporations put a large amount of money into education; often times doing the very same things that we, in the traditional sector of higher education attempt to do as well. The question is, why does the corporate world choose to create its own educational structure? Dale Parnell, President of the American Association of Community and Junior Colleges, asked that question of a corporate leader and reported the response in his October 31 newsletter. The response was: "Too many colleges want to meet us at the point of the college's need, rather than at the point of our need. They often seem reluctant to meet our training needs when we need it, where we need it, and according to our specifications." Because traditional higher education has failed to respond to the needs, corporate America has created and is creating its own educational structure.

A fourth segment of the providers of adult education, includes what I call the growing number of "card-carrying-training-consultants." It seems that almost everyone I know in the community college and

university structure is now carrying his own business card, having his own brochure printed, and calling himself a "training consultant." Partially as a response to that growth in corporate demand. They are providing education purchased by corporate America. John Maxwell, the head of the Management Program at the University of California at Berkeley, reported in the American Association of Higher Education Bulletin in December, 1980, that thousands of "practitioner-instructors," many of whom are also college professors, are now providing adult education. In fact, he says that 3,000 entities offer business and management courses, of which only 700 are at colleges or universities. In addition, 40,000 publicly offered business seminars exist annually, excluding colleges, universities, and in-house corporate programs. It is an extremely lucrative field. While I have not created my own card, nor my own brochure, I will have to admit that I find the field lucrative myself, and I do some consulting and training with business and industry within the area. It is indeed a lucrative field.

There are a myriad of other agencies providing adult education. I am certain I have probably skipped some of your favorite agencies. I do know that many of you in the audience are involved in GED programs. As an interesting sidelight, while the rest of us are dealing with an increasingly older-population, those of you in GED programs, tend to be dealing with an increasingly younger population. The news-front segment of the Phi Delta Kappan magazine in September, 1981, indicates that people are trying to earn high school credentials by test at a younger age today, than they were 10 years ago. In 1980, a little more than half of those taking the GED test were

21 or younger. The average test taker last year was 25 years old, the average age in 1979, was 29.1. That may be an interesting statistic for those of you who are in the GED programs. If you are dealing with an increasingly younger population and the statistics indicate that there will be fewer and fewer of those younger people in future years, you may have some problems in your market place.

So we looked at the market and found that there is a significant demand for adult education. Now we've looked at the competition in the market place and found a great deal of competition. Traditional higher education, proprietary schools, corporate training itself, as well as the card-carrying-consultant-trainer.

Let's move to the third major point. That is, the future competition, can it be reduced? All of us would like to see some sort of reduction in this competitive environment -- some mechanism of licensing or controlling to work on quality control -- some mechanism to stop the cut-throat attempts at adult education. I suspect we will see a lessening of the competitive environment. However, I suspect that that lessening may not be in the direction that we would like to see it.

It has been said that adult students differ from elementary and secondary students in two ways. Number one, they have the power to vote, and number two, they have the money so they can pay for their own education. Interestingly enough, the very adults that we seek to educate, appear to be voting to tell us that they should also be paying for their own education. There are strong indications that the population at large currently does not want to put large numbers of public dollars into adult

education. We are all aware of the tendencies on a national level to reduce funding for education in general. But let me talk about experiences in three specific states as it relates to adult education. First, let me look at Minnesota. It was indicated earlier that I did work for a few years in the State of Minnesota. Minnesota has what I believe is probably the most sophisticated education system in the country. They are, indeed, committed to educating the population. I was amazed when I came to Arizona and found that elementary school children had to buy their own books, had to buy their own paper, and other supplies. In the State of Minnesota, all the student has to do is show up. Everything else is provided. Minnesotans believe in providing education for their population, as long as they are not adults. Minnesota also has a sophisticated Area Vocational Technical Institute system to provide post-secondary vocational education. That system provides post-secondary education free for anyone under the age of 21. However, once you reach the age of 21, the State Legislature in Minnesota says you must pay tuition for that, because it becomes adult education.

Let's look at the State of California. You will recall that the California Post-Secondary Education Commission indicated that the dominant function for community colleges was adult education. That was in 1976. The Chronicle of Higher Education in November, 1981, indicates that the results are not all positive. Some legislators have begun to ask if the state or the adult students themselves, should pay the cost of such services. As a result, this year the State Legislature did not fund total projected enrollment in community colleges. The State Legislature

eliminated state funds for non-credit adult education courses, those typically known as "hobby-courses" which were funded in the State of California and the legislature limited funds for other non-credit instruction to only 60% of costs. Clearly, the legislature is asking whether or not significant public monies should go into typically adult education.

But how about the State of Arizona? We are all familiar with the tax-revolt. We are all familiar with the limitation on funds available for our own adult education programs. However. I suspect that perhaps the most serious threat comes from a little talked about bill which passed the legislature last year. That bill is House Bill 2148, better known as the Free Enterprise Bill. It is a bill designed to provide limitations on state agency competition with private enterprise. It is designed specifically to limit the competition from bookstores and other commercial ventures on college campuses. Members of the Chambers of Commerce and other organizations, felt that bookstores were selling perfume, toothpaste, hearing aides, and other items that really provided state support for an agency to compete with private enterprise. The legislation passed. A logical extension of that legislation would be that state agencies also should not compete with private enterprise in the provision of adult education. The wording is already there in the legislation. However, no one is interpreting it that way. House Bill 2148, section 12B reads: "Community Colleges and State Universities under jurisdiction of a state governing board, shall not provide to students, faculty, staff, or invited guests, goods, services, or facilities that are practically available from private enterprise except as

authorized by the State Governing Board." Obviously, the State Governing Board, to date, has authorized us to provide adult education. However, I am not certain that will always be true. If the proprietary schools, which are growing in the State of Arizona, should effectively lobby that we are, by providing publicly supported adult education, competing with their rights to free enterprise, there is every possibility that the competition which we see in the market place, might be reduced by restricting public agencies right to provide adult education. Oddly enough, the very adults we seek to serve, may vote that our publicly sponsored adult education, is inappropriate in the competitive market place. They might rightfully ask, "What right do we have to complain that we do not receive enough public support for our activities, when private enterprise can provide the very same education and do so at a profit?" It is a serious question.

So we have a very large demand in the market for adult education, we have a great deal of competition within the market place to provide that adult education, and we have a potential future which will restrict that competition by limiting access to the market place for public agencies. What does that mean for us? I suggest it means that we need to ask ourselves a very serious question. That question is, "Why should we, as public agencies, be allowed to provide adult education? Why should we be publicly supported to provide the services we wish to provide?" When we have an answer to that question, we need to very seriously address ourselves to providing whatever services that answer supports, and then very seriously address ourselves to State

Legislatures to see to it that we can get appropriate funding to provide that which we think we need to provide.

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